

ARK MINES LTD.

ACN 123 668 717

Financial Report

For the Half-Year Ended 31 December 2025

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CORPORATE DIRECTORY

Directors	Roger A Jackson Ian B Mitchell Benjamin P Emery
Company Secretaries	Ian B Mitchell Ian K White
Registered office	Ian B Mitchell and Associates Level 9 MLC Centre 19 – 29 Martin Place Sydney NSW 2000
Principal Place of Business	Ian B Mitchell and Associates Level 9 MLC Centre 19 – 29 Martin Place Sydney NSW 2000
Share Register	Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford Victoria 3067 GPO Box 3224 Melbourne Victoria 3001
Auditor	Moore Australia Audit (WA) Level 15 Exchange Tower 2 The Esplanade, Perth WA 6000
Solicitors	Ian B Mitchell and Associates Level 9 MLC Centre 19 – 29 Martin Place Sydney NSW 2000
Bankers	National Australia Bank 292 Pitt Street Sydney NSW 2000
Securities Exchange Listing	Ark Mines Ltd shares are listed on the Australian Securities Exchange (ASX code: AHK)
Website Address	www.arkmines.com

Your Directors present their report together with the financial statements of Ark Mines Ltd (the "Company" or "Ark") and its wholly owned subsidiaries (together, the "Group") for the half-year ended 31 December 2025.

Directors

The names of the Directors, who held office from 1 July 2025 to date of this report, unless otherwise stated, are:

- Roger A Jackson
- Ian B Mitchell
- Benjamin P Emery

Review of Operations

During the half-year, the Company focused on the ongoing development of its 147km² EPM 28013 ("Sandy Mitchell") advanced Rare Earths Project in North Queensland.

On 25 August 2025 the Company announced that the Queensland government owned Critical Minerals and Battery Technology Fund ("QCMBTF") would invest \$4,500,000 in Ark to advance development at Sandy Mitchell. The QCMBTF is managed by the Queensland investment Corporation.

The QCMBTF invested in two parts:

- \$4,000,000 cash in exchange for 2% Royalty on future product sales from Sandy Mitchell; and a
- \$500,000 cash equity investment, which was approved by shareholders on 10 October 2025.

During the half year, the Company continued its planned 2,500m drilling program at Sandy Mitchell comprising 194 vertical holes, being Stage 3 of a comprehensive resource definition drilling program to build on the previous two stages of resource drilling. The program was designed to significantly increase the mineral resource at Sandy Mitchell from the current Mineral Resource Estimate of 71.8Mt @ 1,732.7ppm Monazite Equivalent ("MzEq"), calculated using a 700 ppm MzEq lower cut-off grade. (refer ASX announcements on 2 July 2024 and 2 October 2024). The program was designed to target an eventual resource increase of approximately 260Mt, based on the thickness of the existing resource and mineralisation in the reconnaissance drilling used to inform the 1,316Mt to 1,580Mt JORC Exploration Target. (refer ASX announcement 6 November 2024)

The Stage 3 program, eventually comprising 219 holes for 2,324m, was completed November 2025 with results to be incorporated into a forthcoming Pre-Feasibility Study ("PFS").

All samples from the Stage 3 program have now been dispatched for assay, with results expected in Q4 FY26.

On 29 October 2025, the Company announced that it has been granted Environmental Authority for mining activity at Sandy Mitchell. The regulatory process to lodge the Permit Application is largely complete, with only a security self-assessment now required to complete the Permit application.

In January 2026, a processing plant trial was commenced using samples taken from the Stage 3 program at Currumbin Mineral's ("Currumbin"), wholly owned and operated licenced treatment facility in South-East Queensland.

Ark and Currumbin have an existing Memorandum of Understanding ("MOU") which established a framework for the supply and delivery of Heavy Minerals Sands from the Sandy Mitchell Project for processing at Currumbin's licenced treatment plant.

The processing plant trial will be undertaken by Ark in collaboration with Currumbin, in parallel with the Sandy Mitchell PFS, currently being progressed by IHC Robins.

Currumbin will undertake a full commercial scale trial to assess final product specifications. Monazite rare earth concentrate produced during the trial will be transported to a downstream processing facility for cracking and splitting of rare earth concentrates.

All commercial-grade material, including titanium minerals, zircon and garnet, will be assessed as part of the trial.

In December 2025 the Company lodged an R&D claim for certain work performed at Sandy Mitchell for \$321,673. This amount has not yet been confirmed by the ATO and is not included in the half-year accounts. Receipt of this claim if accepted by the ATO is expected in FY26.

On 10 February 2026, the Company announced that it had signed an MOU with a processing technology provider to partner on a processing trial of monazite ore from the Sandy Mitchell Project to recover thorium and Rare Earth Elements ("REEs"). The MOU establishes a framework for the parties to collaborate on the cracking of monazite ore using a proven, low-cost process to recover both thorium and REEs. Under the agreement, the parties will work together from initial monazite cracking through to the production of final rare earth oxides and refined thorium.

Ark Mines is targeting production in late CY27.

No work was undertaken during the year on Gunnawarra, Mt Jesse or Mt Pluton Base.

The profit (loss) for the Group for the half year ended 31 December 2025 was: \$326,661 (2024: \$731,722).

DIRECTORS' REPORT

For the half-year ended 31 December 2025

Subsequent Events

The review of operations discussed above covers the period of the half-year ended 31 December 2025 and up to the date of this report. Details of all events that occurred specifically between 31 December 2025 and the date of this report are shown in Note 21 to the financial statements.

Auditor's Independence Declaration

The Auditor's independence declaration for the half-year ended 31 December 2025 has been received and a copy is reproduced on page 4.

Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest dollar (where rounding is applicable) unless otherwise indicated.

This Report is made in accordance with a resolution of the Board of Directors and signed on behalf of the Board by:



Roger A Jackson

Executive Chairman

Sydney, 11 March 2026

Statements and ASX References

ASX Announcement References

Information in the Directors' Report has been drawn from previous ASX announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in this report and referenced to previous ASX announcements and that all material assumptions and technical parameters underpinning the estimates in this report continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented have not been materially modified from the original market announcements.

Competent Persons Statement

The information included in the Directors' Report is based on and fairly represents information compiled by Mr Roger Jackson, a Director and shareholder of the Company, who is a 25+ year Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors. Mr Jackson has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jackson has approved this Directors' Report and included mineral resources statements as a whole and consents to the inclusion of the data contained in relevant resource reports used for this Directors' Report as well as their form and context.

Monazite Equivalent Calculation

$MzEq = 1.000 \times \text{monazite} + 1.000 \times \text{xenotime} + 0.361 \times \text{zircon} + 0.281 \times \text{rutile} + 0.165 \times \text{hi Ti leucoxene} + 0.126 \times \text{lo Ti leucoxene} + 0.072 \times \text{altered ilmenite} + 0.065 \times \text{ilmenite}$. The proportions of valuable elements in recoverable economic heavy minerals are ascertained by QEM scan deportment percentages applied to all elements. (See AHK ASX announcement 2 October 2024 - detailed in Appendix B Table 1 Section 2)

The Company has a reasonable belief that all metals included in a calculated equivalent grade have a reasonable chance of being recovered and sold, a necessary requirement under Clause 50 of the JORC Code.

Forward Looking Statements

This Directors' Report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Ark Mines' control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Ark Mines has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this Directors' Report. To the maximum extent permitted by applicable laws, Ark Mines makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this Directors' Report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this Directors' Report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

AUDITOR'S INDEPENDENCE DECLARATION

For the half-year ended 31 December 2025



Moore Australia Audit (WA)

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T +61 8 9225 5355

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ARK MINES LTD

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'Shaun Williams'.

SHAUN WILLIAMS
PARTNER

A handwritten signature in blue ink, appearing to read 'Moore Australia'.

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of March 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the half-year ended 31 December 2025

	Note	Consolidated	
		December 2025	December 2024
		\$	\$
Revenue from ordinary activities			
Interest income		5,517	3,259
Royalty Sale	7, 15	1,027,280	6,000
Total revenue		1,032,797	9,259
Less: Expenses			
Accounting and secretarial expenses		60,848	53,180
ASX listing costs		18,117	18,084
Audit fees		17,890	17,423
Consultants		239,483	252,344
Depreciation	5	13,767	13,767
Directors' fees		73,500	63,000
Insurance		27,335	26,291
Investor relations		133,565	124,224
Share registry costs		12,734	6,717
Other expenses from ordinary activities		85,774	164,990
Total expenses		683,013	740,020
Profit (loss) from operating activities		349,784	(730,761)
Interest expense	9	(23,113)	(1,055)
Net foreign exchange (loss) gain		(10)	94
Profit (loss) before income tax		326,661	(731,722)
Income tax expense		-	-
Profit (loss) from continuing operations after income tax		326,661	(731,722)
Other comprehensive profit (loss) for the year		-	-
Total comprehensive profit (loss) for the year		326,661	(731,722)
Earnings per share			
Basic - cents per share		0.005	(0.010)
Diluted - cents per share		0.005	(0.010)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	Consolidated	
		December 2025	June 2025
		\$	\$
Current assets			
Cash and cash equivalents		4,434,916	1,301,374
Trade and other receivables	3	53,095	92,881
Prepayments		53,301	21,954
Total current assets		4,541,312	1,416,209
Non-current assets			
Capitalised exploration and evaluation expenditure	4	6,120,082	5,475,217
Plant and equipment	5	264,360	278,127
Environmental bonds and security deposits	6	32,000	9,500
Total non-current assets		6,416,442	5,762,844
Total assets		10,957,754	7,179,053
Current liabilities			
Deferred Income	7	2,972,720	-
Trade and other payables	8	106,060	198,439
Borrowings	9	23,113	-
Total current liabilities		3,101,893	198,439
Non-current liabilities			
Borrowings	10	-	575,753
Total non-current liabilities		-	575,753
Total liabilities		3,101,893	774,192
Net assets		7,855,861	6,404,861
Equity			
Contributed equity	11	22,842,966	21,718,627
Reserves		1,303,175	1,303,175
Accumulated losses		(16,290,280)	(16,616,941)
Total equity		7,855,861	6,404,861

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2025

	Note	Consolidated	
		December 2025	December 2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(753,186)	(866,380)
Interest income		5,517	3,259
Other income		-	6,000
Net foreign exchange (loss) gain		(10)	94
Net cash used in operating activities		(747,679)	(857,027)
Cash flows from investing activities			
Proceeds from QIC Royalty sale	7, 15	4,000,000	-
Payments for exploration and evaluation expenditure	4	(644,865)	(615,392)
Payments for plant and equipment	5	-	(20,000)
Payments for environment bonds	6	(22,500)	-
Net cash provided by (used in) investing activities		3,332,635	(635,392)
Cash flows from financing activities			
Proceeds from loans		-	350,000
Proceeds from share issues	11	557,647	-
Payments for share issue costs	11	(9,061)	-
Net cash provided by financing activities		548,586	350,000
Net increase (decrease) in cash held		3,133,542	(1,142,419)
Cash at beginning of the period		1,301,374	1,349,126
Cash at end of the period		4,434,916	206,707

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2025

	Consolidated				
	Note	Issued capital	Reserves	Acc. losses	Total
		\$	\$	\$	\$
December 2025					
Balance at 1 July 2025		21,718,627	1,303,175	(16,616,941)	6,404,861
Total comprehensive income for the year		-	-	326,661	326,661
Total		21,718,627	1,303,175	(16,290,280)	6,731,522
<u>Transactions with owners in their capacity as owners</u>					
Ordinary shares issued, net of transaction costs	11	1,124,339	-	-	1,124,339
Balance at 31 December 2025		22,842,966	1,303,175	(16,290,280)	7,855,861
December 2024					
Balance at 1 July 2024		20,226,465	1,303,175	(15,431,838)	6,097,802
Total comprehensive income for the year		-	-	(731,722)	(731,722)
Balance at 31 December 2024		20,226,465	1,303,175	(16,163,560)	5,366,080

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

1. Corporate Information

This interim financial report is for the entity Ark Mines Ltd (the "Company" or "Ark") and its wholly owned subsidiaries (together, the "Group"). Ark Mines Ltd is a company limited by shares incorporated and domiciled in Australia with its registered address at Level 9, 19 – 29 Martin Place Sydney NSW 2000. Ark Mines Ltd is listed on the ASX.

The principal activity of the Group for the half-year was the exploration of mineral exploration tenements.

2. Material Accounting Policies

These financial statements for the half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. This financial report covers Ark Mines Ltd and its wholly owned subsidiaries (the "Group") and was authorised for issue in accordance with a resolution of Directors on 11 March 2026. For the purpose of preparing the financial statements, Ark Mines is a for-profit entity.

These financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report. The half-year financial report should be read in conjunction with the annual financial report of Ark Mines Ltd as at 30 June 2025 and any public announcement made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

a) Basis of preparation

The half-year financial report has been prepared on the historical cost basis except as disclosed in the notes to the financial statements.

b) Material accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year-ended 30 June 2025.

c) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

3. Trade and Other Receivables

GST recoverable

Other receivables

Total

Consolidated	
December 2025	June 2025
\$	\$
53,095	85,408
-	7,473
53,095	92,881

4. Capitalised Exploration and Evaluation Expenditure

Balance at the beginning of the period

Capitalised during the year

Balance at the end of the period

5,475,217	4,611,423
644,865	863,794
6,120,082	5,475,217

The Group's Schedule of Tenements is shown on Page 18.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

	Consolidated	
	December 2025	June 2025
	\$	\$
5. Plant and Equipment		
<u>At cost</u>		
Balance at the beginning of the period	339,693	319,693
Additions during the period	-	20,000
Balance at the end of the period	339,693	339,693
<u>Accumulated depreciation</u>		
Balance at the beginning of the period	(61,566)	(34,032)
Charge for the period	(13,767)	(27,534)
Balance at the beginning of the period	(75,333)	(61,566)
Total	264,360	278,127

6. Environmental Bonds and Security Deposits		
EPM26560 - Gunnawarra	3,000	3,000
EPM26464 - Mt Jesse	3,000	3,000
EPM26883 - Pluton	3,000	3,000
EPM28013 - Sandy Mitchell	20,000	-
ML 100409	2,500	-
Other	500	500
Total	32,000	9,500

7. Deferred Income		
Unearned income from QUC Royalty sale	2,972,720	-
Total	2,972,720	-

As announced to the ASX on 25 August 2025, the Company received \$4,500,000 from the Queensland Critical Minerals and Battery Technology Fund to advance development of its Sandy Mitchell rare earths project. This amount was received as a \$500,000 equity investment and a \$4,000,000 purchase of a 2% Royalty over gross revenues from future product sales from Sandy Mitchell ("Royalty Purchase"). A condition of the Royalty Purchase is that the Company spends the Royalty Purchase amount in accordance with an agreed budget of expenditure ("Budget").

As at 31 December 2025, the Company had spent \$1,027,280 in accordance with the Sandy Mitchell Budget. This amount represents 25.7% of the Royalty Purchase amount and as a consequence, 25.7% of the Royalty Purchase amount, equal to \$1,027,280 has been shown as Royalty Sale income. The balance of \$2,972,720 has been carried forward as Deferred Income to be brought to account as revenue as expenditures are made in accordance with the Budget. Refer to Note 15 Contingent Liabilities for further details.

8. Trade and Other Payables		
Trade payables	68,030	136,051
Accruals	30,442	54,800
Other payables	7,588	7,588
Total	106,060	198,439

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

	Consolidated	
	December 2025	June 2025
9. Borrowings - Current	\$	\$
Loan from related party	23,113	-
Total	23,113	-
10. Borrowings - Non-Current		
Loan from related party	-	575,753
Total	-	575,753

On 20 December 2024 the Company entered into a converting loan agreement with Mr Ian Mitchell (the "Lender") who is a Director of the Company. The Loan was for \$350,000, at an interest rate of 10% pa, for a term commencing on 20 December 2024 and ending on 1 October 2026. The Loan was unsecured.

On 7 February 2025 the Company entered into a further converting loan agreement with Mr Ian Mitchell. The Loan was for \$200,000, at an interest rate of 10% pa, for a term commencing on 20 December 2024 and ending on 1 October 2026. The Loan was unsecured. (together the "Loans")

Under the terms of the Loans, the Loans could be converted to shares:

- By the Lender during the period commencing on 20 December 2024 and ending on 20 July 2025, for a conversion price of \$0.20 per share. If exercised during this period the Company would have issued to the Lender two options for every five shares delivered, exercisable at \$0.40 per share and expiring 26 July 2026.
- By either party after 20 July 2025 until the end of the Loans.

Mr Mitchell elected to convert the 30 June 2025 balance of \$575,753 to shares and 2,878,765 shares at the agreed issue price of \$0.20 per share, were issued to Mr Mitchell on 1 December 2025.

Interest of \$23,113 calculated from 1 July 2025 until 1 December 2025 remains payable, and Mr Mitchell has elected to convert this amount to shares as soon as practicable after the convening of a General Meeting of shareholders to approve this issue.

At the time of entering into the Loans, Directors determined that the terms of the Loans were equal to or better than if the Lender and the Company were dealing at arms-length.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

	Consolidated	
	December 2025	June 2025
	No.	No.
11. Contributed Equity		
Ordinary Shares Number		
Balance at the beginning of the period	66,160,728	55,446,443
<u>Shares issued during the period</u>		
Issued - 2 September 2025	25,000	-
Issued - 24 October 2025	2,994,012	-
Issued - 31 October 2025	98,150	-
Issued - 31 October 2025	12,348	-
Issued - 1 December 2025	2,878,765	-
Issued - 12 December 2025	8,620	-
Issued - 5 May 2025	-	10,714,285
Balance at the end of the period	72,177,623	66,160,728

	\$	\$
Ordinary Shares Value		
Balance at the beginning of the period	21,718,627	20,226,465
<u>Shares issued during the period</u>		
2 September 2025 - conversion of options @ \$0.40 per share	10,000	-
24 October 2025 - issue on Agreement with QIC @ \$0.167 per share	500,000	-
31 October 2025 - conversion of options @ \$0.40 per share	39,260	-
31 October 2025 - conversion of options @ \$0.40 per share	4,939	-
1 December 2025 - repayment of convertible loan @ \$0.20 per share	575,753	-
12 December 2025 - conversion of options @ \$0.40 per share	3,448	-
5 May 2025 - placement @ \$0.14 per share	-	1,500,000
Capital raising costs	(9,061)	(7,838)
Balance at the end of the period	22,842,966	21,718,627

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

12. Share Options

Unlisted Options over fully paid ordinary shares exercisable at \$0.40

Balance at the beginning of the period

Options converted during the period

Converted - 2 September 2025

Converted - 31 October 2025

Converted - 31 October 2025

Converted - 12 December 2025

Balance at the end of the period

December 2025	June 2025
No.	No.
5,267,317	5,267,317
(25,000)	-
(98,150)	-
(12,348)	-
(8,620)	-
5,123,199	5,267,317

13. Related Party Transactions

Roger Jackson – provision of executive services

Benjamin Emery – provision of executive services

Ian Mitchell – repayment of loan

Ian Mitchell – accrual of loan interest

Total

Consolidated	
December 2025	December 2024
\$	\$
100,996	218,419
167,235	231,000
575,753	-
23,113	-
867,097	449,419

In addition to their Directors' fees of \$4,000 per month, both Mr Jackson and Mr Emery provide executive services to the Group under services contracts which are approved by the Board. Mr Jackson is the Company's Executive Chairman, and Mr Emery is the Company's Managing Director.

All related party transactions receive Board approval in advance. All transactions with Directors and their associates are conducted on an arms-length basis and in the ordinary course of business. The Board is sufficiently knowledgeable and experienced to ensure that amounts paid for these services is in line with commercial expectations.

14. Commitments

Exploration Expenditure Commitments

The Group holds exploration tenements; EPM28013, EPM26560, EPM26464 and EPM26883 ("Tenements") in Queensland, Australia. In order to retain its current rights of tenure to the Tenements, the Group is required to comply with tenement obligations specified by the State Government, including the completion of activities-based works programmes which are assessed over the life of the Tenements. There are no set annual expenditure amounts. If Tenement obligations are not met it may result in the loss of the Tenement or a reduction in the Tenement area. The Group is presently on track to meet all of its Tenement obligations.

15. Contingent Liabilities

Under the terms of the Royalty Deed pursuant to which the Company received the Royalty Sale amount included in the Statement of Profit and Loss and Other Comprehensive Income, and Deferred Income, the Group is required to make certain expenditures related to its Sandy Mitchell project in accordance with an agreed budget. In the event that the Company does not make expenditures in accordance with this budget, the Royalty Holder is entitled to recover any amounts not spent in accordance with this budget.

As at 31 December 2025, the Company has made expenditures on the Sandy Mitchell Project substantially in accordance with this budget.

16. Going Concern

The Financial Statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 31 December 2025 the Company held \$4,434,916 in cash.

On the basis of the above, Directors are of the opinion that the financial statements can be prepared on a going concern basis and that the Company will be able to pay its debts as and when they fall due.

Should this not be achieved the Company may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

17. Fair Value Measurement

The estimated fair value of the Group's cash and cash equivalents, trade and other receivables and trade and other payables, approximate fair value, because of the short maturity and nature of these instruments, and therefore fair value information is not included in this note.

Refer to Note 4 for the estimated fair value of the Group's capitalised exploration and evaluation expenditure.

18. Segment Information

The Group has identified its operating segment based on internal reports that are reviewed and used by the chief operating decision maker in assessing performance and in determining the allocation of resources. Management has identified exploration and evaluation of mineral resources as the Group's only operating segment as this is its principal activity.

19. Dividends

The Company has not declared or paid a dividend during the half-year.

20. Seasonality

The Group's activities have not been subject to seasonal trends.

21. Subsequent Events

On 10 February 2026, the Company announced that it had signed a memorandum of understanding ("MOU") with a processing technology provider to partner on a processing trial of monazite ore from the Sandy Mitchell rare earths project in Queensland to recover thorium and rare earth elements ("REEs"). The MOU establishes a framework for the parties to collaborate on the cracking of monazite ore using a proven, low-cost process to recover both Thorium and REEs. Under the agreement, the parties will work together from initial monazite cracking through to the production of final rare earth oxides and refined thorium.

In December 2025 the Company lodged an R&D claim for certain work performed at Sandy Mitchell for \$321,673. This amount has not yet been confirmed by the ATO and is not included in the half-year accounts. Receipt of this claim if accepted by the ATO is expected in FY 26.

Other than the matters above, there have been no matters or circumstances since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2025

The Directors of the Company declare that:

In their opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.



Roger Jackson

Executive Chairman

Sydney, 11 March 2026



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ARK MINES LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Ark Mines Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 16 of the financial report, which describes the principal conditions that may cast doubts about the Group's ability to continue as a going concern. These conditions as explained in Note 16 indicate the existence of a material uncertainty about the Group's ability to continue as a going concern for at least the next 12 months. If the Group is unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business and at amounts other than as stated in the financial report. Our opinion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT

For the half-year ended 31 December 2025



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ARK MINES LTD (CONTINUED)

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'Shaun Williams'.

SHAUN WILLIAMS
PARTNER

A handwritten signature in blue ink that reads 'Moore Australia'.

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of March 2026.

SCHEDULE OF TENEMENTS

As at 31 December 2025

Exploration Licence	Title Name	Title Holder	Interest	Location	Mineral	Grant Date	Expiry Date	Status
EPM 28013	Sandy Mitchell	Ark Mines Ltd	100%	120 km north-west of Chillagoe - North Queensland	Rare Earths	21-August-22	20-August-27	Current
EPM 26560	Gunnawarra	Gunnawarra Pty Ltd	100%	25 km south of Mt Garnet - North Queensland	Nickel / Cobalt	23-Nov-17	22-Nov-25	Application Pending
EPM 26464	Mt Jesse	Mt Jesse Pty Ltd	100%	40 km north of Mt Garnet – North Queensland	Copper / Iron	05-Oct-17	04-Oct-25	Application Pending
EPM 26883	Mt Pluton	Mt Pluton Base Pty Ltd	100%	90 km east of Dimbulah - North Queensland	Gold	07-Mar-19	06-Mar-27	Current

